NEETs - Can the Dutch meet their needs?

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1. Introduction

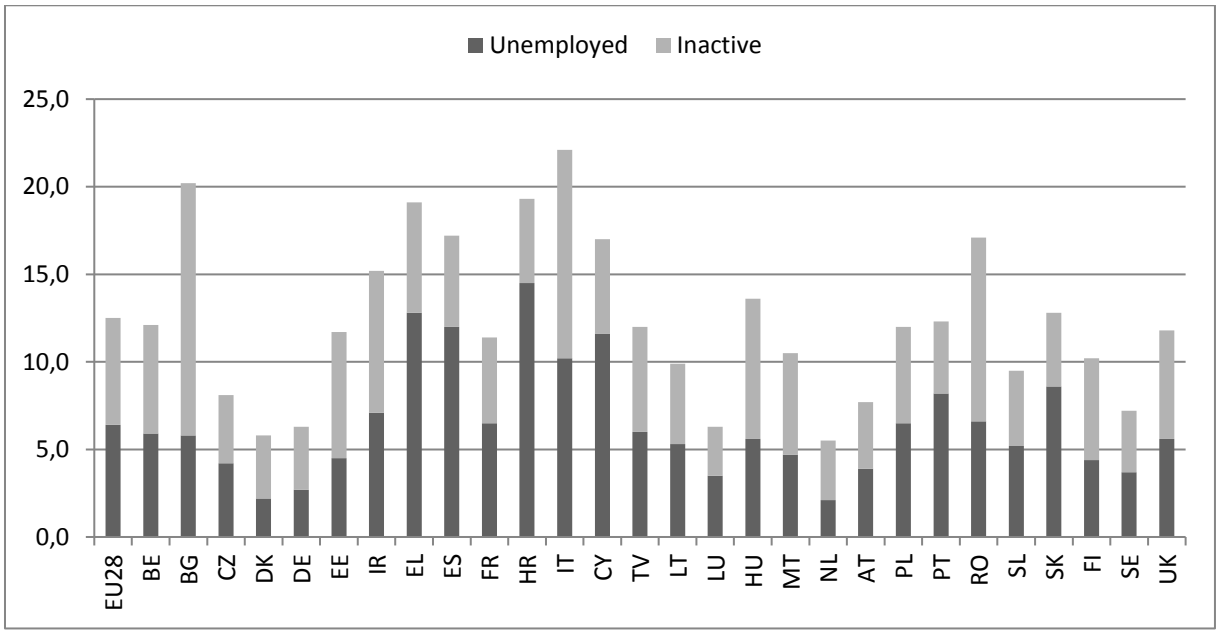
Young people who are not in employment, education or training (NEET) face high risks of social exclusion. At the same time there is little systematic information about the composition of the NEET group and particular social policies that could support them in their transitions towards work or education. This article argues that policy makers and service providers need to put serious efforts in knowing who the (potential) NEETs are and what kind of support they need. Wrongly targeted interventions may result in groups of NEETs disappearing from 'the radar' and hamper successful school-to-work transitions. The gap between school and work is likely to become wider in volatile labour markets where flexibility is a dominant feature. This poses new challenges to older age group who have just entered the labour market. These challenges will be aggravated in the context of austerity measures in the social welfare system. The article gives detailed information about the Dutch NEET group and related policies. It demonstrates that whereas NEET rates in the Netherlands are low, Dutch policies are not always accurate. Policies especially focus on the school-age group, leaving young people who struggle to make successful first steps into the labour market, relatively unattended.

2. Policy challenges related to NEETs

Whereas combating youth unemployment is a key priority in many EU Member States, there is little systematic knowledge on a specific group of jobless youth: the NEETs. Especially lacking, are studies that combine group composition with social policy analysis (Maguire 2015). This contrasts with the high risks at poverty or social exclusion young NEETs face (Carcillo et al. 2015). There are relatively high personal, societal and economic risks associated with long-term inactivity, such as dependency on social security benefits, housing issues, and even increased criminality (LSN 2009). Moreover, the group of NEETs is quite heterogeneous, making it important to know the group's composition. Some young NEETs have the same aspirations as their peers including wanting to get a job and having average levels of education. Others are living at home with supportive family members (Maguire 2015 & 2013; Yates and Peyne 2006). Hence, not all NEETs belong to the group of the most disadvantaged. It makes the NEET group and its challenges complex, yet also underlines the importance to know more about NEETs and related policy interventions. By focusing in detail on the Dutch case, the article attempts to lower this lack of knowledge. It answers the question: *what is the composition of the Dutch NEET group and how do Dutch policies support young people in their transition to and at the labour market?*

The Netherlands has one of the lowest NEET rate in the EU. It makes the Netherlands an extreme case, if selected on the dependent variable (Gerring, 2007). The Dutch NEET rate was only 5.5% in 2014, compared to 12.5% in the EU28 (age group 15-24) (Figure 1). Looking in-depth into the Dutch situation might provide valuable insights in the causes of such low NEET rates. Perhaps sound policies contribute to inclusion of youth either into the labour market or in education. Such good policies could be a valuable input for countries where NEET rates are much higher. However, an in-depth review of one country also enables to look 'behind the statistics' and explore areas in which even the Netherlands could improve. The complex challenges of NEETs might not be depicted well by a single figure of a NEET rate among 15 to 25 year olds. This percentage might focus too much on the youngest people who are still obliged to be in school. Likewise, it might wrongly exclude slightly older youth who are making their first steps into the labour market (Chung et al., 2012). Moreover, Dutch NEET rates have been rising from 3.4% in 2008, signalling that also in this country new challenges have emerged.

Figure 1: NEET rate in EU countries per worker status (unemployed or inactive), age group 15-24, 2014



Source: Eurostat

The rising Dutch NEET rates coincide with reforms in social support for people who are distanced from the labour market. The reform philosophy was to decentralise all relevant policies to the municipality level, expecting that municipalities have far better knowledge about their inhabitants and the available jobs. Thus, the expectation was that municipalities can organise support more efficiently. Such expectations, are in contrasts with the few studies available about NEET policies in other countries. Research in the UK shows that at the local level knowledge about NEETs is not always present (Maguire 2015). At times large groups are missing from databases, potentially leading to little understanding of the circumstances, activities and therefore also of the support needs of some groups of NEETs. Especially those who are aged over 18, and fall outside the view of education institutes, may get less support than required. Groups of NEETs at times disappear from “the radar of

policy intervention", possibly until they become eligible to social security (Maguire 2013: 198). This may increase the risk of long-term marginalisation. If there are policy interventions, these do not necessarily match the challenges of youngsters. Research in the UK and Austria shows that interventions sometimes focus on the smaller group of marginalized NEETs and not on the larger group of NEETs who have a better position in terms of education or family support (Maguire 2013; Tamesberger and Bacher 2014; Tamesberger et al 2014). Conversely, policy interventions may target on those NEETs who are easily helped into a better status while neglecting those who are really in need of support (Yates and Payne 2006). Moreover, adherence to NEET-reduction targets alone may encourage a 'fire-fighting' approach to deal with the status of youth, rather than centering support on the most productive policies (Yates and Payne 2006).

3. Methodology and theoretical background

To study the composition of the Dutch NEET group the main national public statistical database (Statistics Netherlands) and the international database of Eurostat have been used for secondary data gathering.[1] Combining both databases allows for exploring slightly older youth as well as more specific characteristics such as country of birth and reasons for being inactive. The databases employ different definitions to measure NEET rates, which is explained largely by the distinction between unemployed and inactive NEETs (Carcillo et al. 2015). Eurostat includes both unemployed and inactive NEETs in its definition, calling it at times the group of "not employed" NEETs: the percentage of the population of a given age group who is not employed and not involved in further education or training (see Figure 1 for a distinction between the two groups). The Dutch national statistics gives a more narrow definition and only includes inactive NEETs in its NEET calculations. Thus, Statistics Netherlands defines NEETs as young people who are not attending education or training programmes, and are not looking for work and are not immediately available for the labour market. As soon as a young person, who is not in education, starts looking for a job, or is available for the labour market, this person is no longer regarded as a NEET. The article will specify each time which definition is used. In order to gain insight into how Dutch policies support young people in their transitions to and at the labour market, relevant policy documents and legal regulations have been analyzed.

To assess whether or not Dutch policies accurately address the different NEET groups and their challenges, the transitional labour markets theory (TLM) serves as a framework. TLM captures the complexity of youth challenges in their move from school towards a stable labour market position. It demonstrates that school-to-work transitions are not only challenging to vulnerable youth. Finding a first 'real' job can be a long-winded and complicated process filled with internships, contracts for services and spells of short-term employment (Hartlapp and Schmid 2008). Consequently, young people are relatively often in suboptimal employment and non-employment situations, making them more exposed to labour market risks. These risks stretch beyond the youngest age groups and affect older youth as well. Risks are moreover not always mitigated by proper support from social security (Chung et al. 2012). TLM deals with the interface between employment and social security in a

[1] The databases are accessible via the following links: http://ec.europa.eu/eurostat/data/database and http://statline.cbs.nl/statweb/. These include definitions of NEETs, e.g. the metadata of Eurostat: http://ec.europa.eu/eurostat/cache/metadata/en/edat1_esms.htm, all websites consulted on 26-5-2016.

number of labour market transitions, including transitions from education to employment, from one job to another, from unemployment to employment, from private activities to gainful work and, finally, from employment to retirement (Schmid 2015). Only the latter transition is not relevant for youth. All others are part of moving from school towards stable employment. In terms of TLM, integrative maintenance transitions result in a good employment prospects. For NEETs, their transitions have been exclusionary, however. From an institutional perspective, exclusionary transitions are partly the result of insufficient risk management and thus insufficiently working social security systems (Schmid 2011). For youth it is especially relevant to engage in good transitions, as exclusion can have long-lasting scarring-effects. Unemployment or marginal employment at a young age can affect long-term levels of job satisfaction, happiness and health and lead to recurring unemployment and lower pay (Mroz and Savage, 2006; Giesecke and Groß, 2003). Often, risks related to discontinuous employment careers are externalised to individuals (Schmid 2015). Labour market regulation, and unemployment insurance should therefore be adapted better to the new world of work, potentially empowering individuals, providing them with active securities, and making transitions pay (Schmid 2015). The next section connects TLM to specific NEET strategies, using Maguire (2013) to explore the different types of transitions young people make and the policy mix that could mitigate their risks.

4. Tackling NEET issues in contemporary labour markets

Maguire (2013) identifies three types of strategies to deal with NEETs: Preventative strategies, Strategic level responses, and Reintegration strategies.

4.1 Preventative strategies

Preventative strategies are early interventions to prevent a young person from becoming a NEET later on in life (Maguire, 2013). It entails identifying characteristics of at-risk young people. One example stemming from British NEETs aged 16 and 17, is making sure that young people stay in education for longer (Spielhofer et al., 2009). Fast intervention for the youngest age group usually delivers good results (Nelson and O'Donnell 2012). Also the Austrian study shows that the strongest results are delivered by programmes that reduce early school-leaving as well as target the relationship between dropping out and the risk at becoming NEET (Tamesberger et al. 2014). An example is providing better employment and training opportunities. The individual factors for young Austrians that influence their NEET status are early school-leaving, health-related impairments, and preliminary unemployment experiences. For young females having childcare responsibilities for children under the age of three matters as well (Tamesberger et al. 2014).

4.2 Strategic level responses

Strategic level responses are early responses which are coordinated within a general framework, including national level strategies such as active labour market policies, job creation schemes or labour demand stimulating policies (Maguire 2013). Strategic level responses neither focus only on the individual, nor solely on the school-to-work transition. Rather, a systemic labour market analysis is called for in conjunction with the social security system, including transitions between temporary jobs and between inactivity and work. Austrian calculations show that structural measures at the

federal state level can reduce NEET rates, including increasing the expenditures on active labour market policy per unemployed youngster, and/or improving the effectiveness of active labour market policy (Tamesberger et al, 2014). Examples include precautionary measures as well as increasing the number of jobs.

One of the strategic level responses is tackling flexible employment and exclusionary transitions (Allmendinger and von den Driesch, 2014). Being in temporary employment makes it harder for young people to stay employed for longer, even if they wish to (Roberts 2011). The Dutch labour market for youth is very flexible (Houwing and Kösters 2013). In the age group 20-24 years the percentage of temporary workers was 50% in 2014, which is much higher than the EU28 average of 39.2% (Eurostat data code yth_empl_050). In the Dutch age group 25-29, the temporary worker rate was still 31.8% in 2014, compared to a EU28 average of 22.7% for the same age group. While the percentage of Dutch flex workers has been growing, their inflow into an open-ended employment position has been decreasing steadily. Currently, the annual transition rate from temporary into open-ended employment is below 20% and among the lowest in the EU (Eurofound, 2015). Some expect that the transition rates will improve when the economy starts growing again (Heyma and van der Werff 2013). This does not help young people who are trying to get a grip on the labour market at this moment, however. In fact, the number of discouraged young people who no longer seek actively for a job has risen considerably from 7,000 in the last quarter of 2013 to 22,000 in the last quarter of 2015 (age group 15-25, Statistics Netherlands data). Also Eurostat shows that the percentage of discouraged young unemployed (age 15-29) has been rising sharply in the Netherlands amounting to 4.2% in 2014. The Dutch group is larger than the EU28 average of 2.4% (age group 15-29).

Assessing the Spanish labour market, Àngels Cabasés Piqué et al. 2015 argue for a combination of supply-side and demand-side measures to tackle flexible employment. These measures include stimulating job quality and discouraging precarious jobs. This fits the combination of demand and supply side approaches suggested by Maguire (2013). Following TLM, temporary employment increases the number of times workers have to make a transition to a new job or a new employment contract. This increases labour market risks, for instance the risk of becoming unemployed. Precarious jobs are strongly correlated to group-characteristics and cumulating risks may occur (Dietrich 2012). The group of low qualified young people is also the group at risk of experiencing unemployment, especially males and ethnic minorities. This is also related to the types of jobs and the types of industries they are employed in. Although risks cumulate, the effect it has on people, for instance their outlook on integrative or exclusionary transitions, depends on a country's institutional setting (Schmid 2011). The match between social security, education and labour market policies may explain different employment perspectives of youth (Dietrich 2012). For instance, countries have different vocational or general education systems, and combine these with different modalities of employment protection legislation, active labour market policies, youth schemes, career guidance and counseling initiatives (See Dietrich 2012 for an overview). National level policies are thus relevant not only to tackle structural labour market components that hinder job inflow of people (such as skill mismatches in the labour market), but also to manage institutional factors in a way that they aid NEETs.

4.3 Reintegration strategies

Reintegration strategies aim at bringing NEETs back to work or education (Maguire 2013). In the Austrian case, policy measures address direct risk factors (for example lowering early school-leaving) but also deal with the correlation between a risk factor and the NEET rate (Tamesberger et al. 2014). An example is offering jobs to early school-leavers: creating intervening policies especially for this group. Other examples are supra-company training, or giving companies incentives to hire more apprentices with learning disabilities or with poor grades in school. Also the Austrian youth coaching policy is an example. It includes an early warning system, enabling youth coaches to identify young people at risk of social exclusion, and to give them guidance or consultation. A preliminary evaluation of this measure shows positive effects on the career choice, motivation, and self-perception of the young people (Tamesberger et al. 2014).

If a NEET status is related to health issues, measures could aim at reducing illnesses or impairments and/or minimizing the association between illnesses and NEET risk, such as better rehabilitation opportunities or more job opportunities. Moreover, childcare provision could support young NEET mothers, both if they want to return to school and if they want to find or maintain a job. Tamesberger et al. (2014) suggest also to support direct contact with firms and/ or employment experiences for instance via internships. Previous employment experiences have positive effects on the labour market integration of NEETs. However, such internships must also have fair wages, good working conditions, and include close supervision and guidance by experienced personnel. Also the retention rate in employment should increase, so as to keep young people employed. Here, after-care schemes could be helpful, supporting young employees in the early stages of their working lives. Yates and Payne (2006) add that being in a NEET status for a while might not always be negative. Sometimes young people are between types of education or are awaiting action until one's child is older. This is not necessarily problematic. Here, again, it underlines the important of knowing the composition of the NEET group and their needs.

4.4 Towards effective policy responses

Maguire (2013) advises a combination of the three types of strategies to target the NEET issue effectively, as well as putting more efforts into knowing who the NEETs are and what they need. She finds that the British austerity measures, combined with cuts to services and growing costs of social assistance benefits, lead to fewer options for effective policy mixes. Also the Austrian examples recommend a mix of different policies for different types of NEETs. Such broad approach, stretching from preventative strategies at a young age, to care for young people that have just entered the labour market support the key notions of TLM that transitions do not only take place when leaving school to get a job. Dynamic labour markets lead to more frequent transitions between jobs. This offers stepping-stone prospects into stable jobs, yet also increases the number of moments in which exclusionary transitions can be made.

Even though a policy mix can deliver the best results, it is relevant to bear in mind that there is still little knowledge about the effects of existing active labour market schemes (Dietrich 2012). Moreover, good youth programmes might not necessarily focus on a fast inclusion into the labour market. Goals might include stabilising the school-to-work transition, improving qualifications and bridging waiting times to enter a school, whilst reducing the risk of social exclusion and marginalisation (Dietrich 2012). Furthermore, successful programmes in one country might not be

easily translated into policies for other countries, especially because of their match with national labour market regulation and the education system. On the one hand this suggests that in-depth country studies are relevant to judge the country-specific situation and challenges. On the other hand, patterns of labour market exclusion and risks of marginalization might be similar, making country cases a source of inspiration to improve practices. Bearing in mind these remarks, the next sections will give more information on Dutch NEET population and the Dutch policy responses.

5. Composition of Dutch NEET group

Looking at the 'not employed' NEET rates (unemployed plus inactive NEETs), the Dutch school-age group (15-20 yrs) shows a rather stable and low NEET percentage of around 2%. The older age groups have higher NEET rates. In 2014, the 20-24 year olds had a NEETs percentage of 8.7, which is an increase from 5% in 2008 and 7.6% of 2004 (Eurostat data). Especially the oldest age group of 25-29 shows an unusual rise in the percentage of not employed NEETs, peaking at 11.6% in 2014. This is much higher than the former peak of 9.4% in 2005 as well as the lowest point of 7.1% in 2008. Likewise trends are visible when looking at the inactive NEET rates. The youngest group has a stable and low inactive NEET percentage of around 1.5%, whereas the older age groups have a higher as well as rising NEET percentage. The inactive NEET rate has risen from 4.4% in 2004 to 5.1% in 2014 for the age group 20-24 and from 6.3% in 2004 to 7.1% for the age group of 25-29. The low NEET percentages in the youngest age group may be explained by the fact that in the Netherlands, attending school is compulsory until the age of 18 (although part-time schooling combined with work is optional after the age of 16). The NEET rates for the age group of 25-29 might be influenced by choices (especially of women) to stay at home to care for their children. Still, the rise in NEET rates in the age category 25-29 is surprising. Dutch females aged 25-29 show an increase in inactivity, and are also more often inactive than Dutch males. The peak in 2014 is however not that much higher than the former peak in 2005. The development in not employed male NEETs is much more remarkable, being 9.2% in 2014 while a former peak was only 5.9% in 2005. Apparently, something adverse has happened in the slightly older age groups in terms of them being willing or able to remain in the labour market.

Table 1: Dutch 'not employed' NEET rates per education level, country of birth and gender (Netherlands, 2014)

	Education level			Birth country		Gender	
				Extra		Male	Female
Age	ISCED 0-2	ISCED 3-4	ISCED 5-8	EU28	NL		
15-19	1.5	0.6	-	3.7*	2	2.3	2.1
20-24	4.1	3.5	0.8	13.4	8.1	8	9.4
25-29	4,4	4,6	2,2	23,5	10	9.2	14.1

Source: Eurostat * data from 2013

Table 1 shows that the NEET rates are highest among those with the lowest level of education (ISCED 0-2) for the age group 20-24, while in the age group 25-29, the group with an intermediate education level (ISCED 3-4) have the highest NEET rate. It makes especially the very young and those with a higher level of education rather immune to flowing into a NEET status. Another main distinction is that of country of birth. Youth born outside the Netherlands have far higher NEET percentages than

those who were born in the Netherlands. For the age group 25-29 born outside the EU28, the NEET rate spikes at 23.5% in 2014.

As for the reasons for being an inactive NEET, Dutch data shows that in 2014 around 75 thousand young Dutch people in the age category 15-26 were not attending education or training programmes, were not looking for work and were not immediately available for the labour market (Statistics Netherlands 2015a). While in numbers this group is not that large, it does equal 40% of the jobless youth outside education. In the age group 15-26 the main reasons for being in a NEET position are disability and illness (37.5%) (Statistics Netherlands 2015a). Moreover there is a group of 11.9% that is engaged in some form of training or study while another 11.9% is inactive due to looking after family or having household responsibilities. The latter reason is hardly ever given by males, yet it is an important reason for young females to be an inactive NEET (19.5%). Young females and youth with a low level of education are overrepresented in the group of inactive young NEETs, while there is no relationship with ethnic background (Statistics Netherlands 2015a). There is also a group (36.3% in 2014) which is inactive for other reasons.

6. Dutch policy responses

Dutch challenges thus seem to concern both vulnerable as well as more resilient youth groups: people who are born outside the EU and / or have low level of education along with older youth and males aged 25-29, plus youth with an intermediate education level.

6.1 Preventative strategies

The very low NEET rates among school-ages, suggests that the Dutch preventative strategies are largely at order. Education seems to act as a good shelter for those below the age of 20. This coincides with the Dutch education system that includes apprenticeships as well as the more recent efforts to reduce early school-leaving. Apprenticeships are part of secondary vocational education, and contribute to the relatively good school-to-work transitions. It gives young people a network among employers as well as work experience. Around 2005, the Netherlands set the goal to reduce early-school leaving considerably. It resulted in drop-out rates going down from 13.5% in 2005 to 8.2% in 2015 (Eurostat data). The policy efforts include creating a local network including school and social work institutions and local communities to support youth with multiple problems. Moreover, regional registration systems of absenteeism and early-school leaving were set up. This improved monitoring options, and made it easier to detect problems. It has encouraged schools to stay in touch with pupils who are absent and to offer pupils guidance and counseling. The ultimate aim is to keep young people in school for longer, possibly giving them the opportunity to get a diploma. Staying in education for longer also increases the probability of job inclusion, making the Dutch preventative strategies also relevant for reducing NEET rates.

6.2 *Strategic level responses*

A recent national initiative is to fight abusive use of temporary employment. To this end, an Act was introduced in 2015 (Work and Security Act). It aims among others to improve the legal security of different kinds of flex workers. For example, the Act introduced a transition allowance, also for workers with a temporary employment contract, if they have been employed by the same employer for at least two years. The transition allowance may be used for schooling and for moving into another job or another profession, and thus may act as a bridge between jobs. For workers with temporary employment contracts, the Act reduces insecurity by shortening the time frame within

which an open-ended needs to be offered (generally to two years). In theory, the transition allowance might aid young people to mitigate the risk of flowing from temporary employment into inactivity. However, the question is whether or not temporary employees will succeed in staying employed at the same employer for more than two years, and become entitled either to a transition allowance or to an open-ended employment contract. In view of that it is important to know if and how the Dutch social security system mitigates the risks of youngsters. Is the Netherlands successfully installing a system of social risk management for youth?

6.3 Reintegration strategies

In the Dutch social security system, receiving reintegration support is generally closely tied to getting income support. In other words, only those who receive income support may benefit from reintegration activities. In the case of unemployment, young people can receive income support by applying for an unemployment benefit. This benefit will be awarded under the condition that the person concerned was in employment in the period of 36 weeks prior to the application (Article 17 of the Dutch Unemployment Act). If this requirement can be fulfilled, young people may qualify for an unemployment benefit for a limited period of time (Article 42 of the Dutch Unemployment Act). If they do not succeed in finding a job during this period, they will have to apply for social assistance benefits in the municipality of the place of residence. This rule also applies to those who do not qualify for unemployment benefits. The social assistance benefit is subject to means-testing. Hence, those who live with their parents or have a partner with an income exceeding the minimum subsistence level, will not be entitled to social assistance benefits. In consequence, this group may also not qualify for measures designed to support their reintegration into the labour market (Mallee 2013). Thus, this group is thrown back upon their own resources and disappears from the sight of the (local) authorities (Bierings et al 2015).

As a result of the financial and economic crisis, the number of Dutch youth (age 18-27) receiving social assistance benefits has risen considerably, but seems to have stabilized now. Statistics Netherlands (2015b) explains the stabilization by the increasing number of jobs and vacancies from which young people profit first. However, a stable amount of young people having social assistance, does not mean necessarily that others have flown into a job. Moreover, not all inactive young people receive benefits. In fact, data from Statistics Netherlands illustrate that in all years the amount of young unemployed or inactive persons (age 15-27) who do not receive benefits is higher than those in receipt of benefits. It was not possible to distinguish in the public database between unemployed and NEETs. Thus, the group of non-benefit receivers may include unemployed youngsters who are looking for a job but do not receive benefits because they still live with their parents, as well as discouraged youngsters who stopped looking for a job because they do not expect that their search will lead to results. Amongst the non-benefit receivers, there might also be a group of young NEETs without benefits who, for this reason, may not qualify for measures designed to support their reintegration into the labour market (Mallee 2013).

Available data confirm that young people below age 27 have been getting a lower access to re-integration schemes. Statistics Netherlands (2013) explains this decrease as a result of new legislation installing a waiting period for job searching assistance for those below age 27 (Statistics Netherlands, 2013). This waiting period is the result of gradually developing activation measures for youth within the social security system. The first set of activation rules was introduced in 2009. It put

municipalities under the obligation to offer young people aged 18-27 who applied for social assistance benefits, either work, or education or training, or a combination of both (*Kamerstukken II*, 2008/09, 31 775, nr. 3). Young people who refused such an offer lost entitlement to social assistance benefits and had to fend for themselves.[2] The distinction that was made between those aged 18-27 and those beyond that age, was considered to be legitimate. The argument was that from an economic and from a social perspective it is unacceptable if young people neither participate in employment nor complete their education. In other words: tightening the activation rules for young people was seen as a legitimate means to protect them from becoming long-term unemployed or socially excluded already at the beginning of their working life (*Kamerstukken II*, 2008/09, 31 775,nr. 4). This argument was accepted by The Netherlands Institute for Human Rights (2008).

As of 1 January 2013, the Dutch activation policy for young people aged 18-27 was revised with the aim to further accentuate their responsibility to provide for their own income or to complete their studies. The revision was considered necessary on the basis of the observation that the 2009 regulation produced just the wrong effect: instead of activating young people, it encouraged them to sit back and wait for an offer of the municipalities (*Kamerstukken II*, 2011/12, 32 815, nr. 3.). Against this backdrop, a waiting period of four weeks was introduced in which young people who apply for social assistance, first have to make serious efforts to find a job or take the initiative to extend or return to their studies (Article 41 (4) Participation Act). After four weeks the application for social assistance will be taken into consideration. The municipality will thereby examine the efforts made. If the efforts are considered as insufficient, the benefit will be lowered or denied in accordance with the seriousness of the shortcoming (Article 18 (2) Participation Act). So, as before, a financial incentive was used as a principal means to encourage young people to take up work or to fully exploit the opportunities of the state supported education system.

6.3 Results

The Dutch preventative strategies might be called a success, also in view of the relatively low NEET rates in the youngest age group. However, especially older youth seem to need support when entering the labour market and to make sure that early career transitions turn out to be inclusive and not exclusive. The new Act aiming to tackle abusive use of flex work constructions could aid young people, however, its effects have not been evaluated yet. On the four weeks waiting period given to young people aged 18- 27 before getting access to income support and reintegration activities, there are some observations available. These are based on the experience of municipalities which briefly explored the effects of the waiting period on the basis of their own statistics. There is a pilot in 11 municipalities that introduced a waiting period for all social assistance applicants. It shows that 30% to 48% of those applying for social assistance does not return after the four weeks waiting period (Ministry Social Affairs and Employment 2013). First estimations in the four largest Dutch municipalities show that in Amsterdam more than one third of youngsters did not return after the four weeks' waiting period. In The Hague this was 30%, and in Utrecht even 64%. In Rotterdam 50% of those aged under 23 and 35% of those aged 23-27 did not return (Ministry Social Affairs and Employment 2013). In Utrecht 50% of the non-returners generated income from (often unstable and changing) employment. In Amsterdam 37% of the non-returners found employment or went back to

[2] The new rules were anchored in a specific regulation called the Investment in Youth Act. As of 1 January 2012 the regulation was integrated in the general social assistance regime which has been replaced by the Participation Act as of 1 January 2015.

education. There is no information on the status of the remaining people. However, if non-returners are not in education and do not have a job, they might be an inactive NEET or an unemployed NEET and likely have no access to reintegration schemes. Generally, municipalities have little information about the activities of non-returners, as there is no structural check-up (Labour Inspectorate 2012).

There are also other subjects of concern. In a more elaborate evaluation of municipalities' observations, the Labour Inspectorate finds that a return to education is not always an option. This is due to the standard timings of subscription (e.g. inflow in September only) and the fact that schools sometimes refuse subscription (Labour Inspectorate 2013).[3] Moreover, some municipalities find that the waiting period frustrates the possibility to offer adequate support to the most vulnerable such as to young people with personal problems. According to the municipalities, vulnerable youths would be much better off by referring them to youth care organisations immediately. Against this backdrop some municipalities started to offer support during the waiting period, especially to young people with complex problems, young people who are not able to meet independently the requirements of searching for a job or education, or to young people who requested support (Labour Inspectorate 2013). This was often only 'light' support, for example help with searching for vacancies or drafting a letter of application. Yet, some municipalities also offered more intensive support to youth during the four weeks waiting period, such as offering participation in reintegration trajectories. The Labour Inspectorate judges that 'light' support is still within the scope of the law, and meets the idea of self-reliance, yet finds more intensive support to go against the meaning of the law.

In the Youth Guarantee Implementation Plan, the Dutch government underlines that the number of applications for social assistance benefits made by young people up to the age of 27, decreased by about one third since the introduction of the four weeks search period. Referring to the analyses of municipalities, the government subsequently relates this decrease to the fact that young people are successful in finding a job or follow educational or training programmes (Dutch government 2014, 13). Yet, this statement is hard to verify: neither the figures are presented to illustrate these findings, nor the data sources are given. The statement also contradicts findings of the Labour Inspectorate which concludes that municipalities generally do not have knowledge about the whereabouts of young people who do not return after the four weeks waiting period (Labour Inspectorate 2012 and 2013).

The waiting period also seems to have a negative effect on the extent to which young people can benefit from the reintegration support after the four weeks period. Since its introduction, the number of young people receiving reintegration support decreased. Seen in this light, it seems justifiable to question the effectiveness of the waiting period as a means to support the integration of young people in the labour market. Whereas it seems to be effective in reducing the number of applications for social assistance benefits, it seems at the same time to increase the number of young people who do not receive income support, and do not participate in reintegration, education or training programmes. This is at odds with the support needs of young people who are making their first steps into the volatile Dutch labour market. At the end of the day this development may enlarge the NEET problem in the Netherlands.

[3] 100 municipalities filled out a questionnaire and five municipalities were researched in more detail via document analysis and interviews.

6.4 Other institutional factors

The Dutch activation policy was combined with cuts in public expenditure in response to the growing recourse to social assistance benefits. This development resulted in a sizable reduction of the reintegration budgets for municipalities, translating into a decrease of the average budget per client from 5 266 EUR per person in 2009 to 1 973 EUR per person in 2013 (Divosa 2014). As municipalities are free to decide how to spend their budget, these figures may differ considerably per municipality. This could lead to a certain arbitrariness as to which reintegration measures are used and to whom they may apply. On top of that, integral policies and integral implementation measures were introduced which make working with different target groups obsolete, at least to some extent (KWI 2013). This sort of policy matches the viewpoint of the Dutch government that prefers to develop general policies for all unemployed (Dutch government 2009:14). However, at the same time, it implies that service providers at decentral level have to have ample knowledge about the reintegration options for a group of people that differs widely in terms of support needs (KWI 2013). Translated to the issue of unemployed young people, it means that there are many local actors that have to develop knowledge on how to support youth best, and need to learn how to deal best with vulnerable youth versus youth who have ample capacities and capabilities. It goes without saying that adequate matching and good cooperation between different actors are essential ingredients to make this concept work (Roorda 2013). In practice, the matching usually occurs by the case manager who guides recipients of social assistance benefits in finding a way back to the labour market. However, in view of the dwindling budgets for reintegration, the question is whether this matching can still be optimised if there are severe financial constraints.

7. Conclusions

Focusing on the Netherlands, the article illustrates that it is worthwhile to link better insight into the group composition of NEETs with an analysis of available policies. For the Netherlands it has resulted in the confirmation of good policy efforts for the youngest age group. It has however also signaled a policy lacuna for the group of young people who are slightly older and making their first steps into the labour market. Thus, whereas the Dutch preventative approach seems largely at order, and the strategic level responses have not yet proven itself, the reintegration strategy could be improved. The means test in combination with the waiting period to get access to social assistance, in essence makes it harder for young Dutch people to get reintegration support. This follows from the generally close link between getting income support and receiving reintegration support. The result is that there is a group of young people who is thrown back upon themselves and disappears from 'the radar' of (local) authorities. The high and growing NEET rates for older age groups underline that policies are not entirely accurate. At least some youngsters make exclusionary transitions. Both the transitional labour market theory and the British and Austrian cases suggest to give more support instead of less. Flexible labour markets require people to make transitions more frequently. Especially for young people the labour market entrance can be long-winded and complicated process. TLM poses that transitional labour markets require fruitful links between employment and social security, in order to support people in getting and keeping good employment prospects. Focusing on NEETs, the Austrian case demonstrates that even after-care schemes can be helpful to support youth in the early stages of their working life. Another source of concern is that the reintegration budgets are continuously shrinking as a result of the Dutch consolidation policies,

whilst at the same time general reintegration policies for all unemployed are preferred over targeted policies catering the needs of different groups. In consequence, young unemployed and especially vulnerable youth, who do get access to the Dutch reintegration strategies, may not receive adequate support to make successful transitions from school to work. In combination with the high volatility of the Dutch labour market for young people, a group amongst them might be discouraged or have serious difficulties to make timely transitions between temporary jobs, even if they want to work.

The Dutch findings underline the importance of developing an adequate mix of Strategic level, Reintegration and Preventative strategies. Mixing different policies in essence also means broadening the perspective on NEETs from the youngest age group to include slightly older youth as well. Given the longer time period young workers need to move into a stable jobs, this seems logical. Targeting the NEETs problem effectively calls for fast intervention so as to ensure that young people receive either a good quality offer of employment or continued education, an apprenticeship or a traineeship immediately after leaving school. Indeed, investing in such a scheme involves fiscal cost. But the costs of not acting may be far higher, not only in terms of economic loss, lost output and benefits paid out, but also in terms of skills deteriorating and demotivation which results from protracted unemployment and inactivity. Seen from this perspective, improving the employment prospects for young people as well as their level of social inclusion should be a top priority, not only for policymakers in the Netherlands but also in other Member States.

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